

SENATE BILL 1166

By Finney L

AN ACT to amend Tennessee Code Annotated, Title 6,
Chapter 55, Part 2 and Title 67, Chapter 5, relative
to real property taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 6-55-201, is amended by adding the following language as a new subsection (c):

(c) If the corporation purchases real estate sold pursuant to subsection (a), then the corporation shall take charge of the real estate and comply with the provisions of title 67, chapter 5, part 25.

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 5, Part 25, is amended by adding the following language as a new, appropriately designated section:

§ 67-5-25__.

(a)

(1) It is the duty of the chief executive officer of a municipality to take charge of all the lands purchased by the municipality at a delinquent tax sale for municipal taxes only.

(2) During the period when redemption of any such tract of land can be made, the land shall be held and put only to such use as will not result in a waste of such land.

(3) After the period of redemption has elapsed, it shall be the duty of the chief executive officer of the municipality to arrange to sell any property that the municipality does not intend to use as expeditiously and advantageously as possible.

(b)

(1) A committee of four (4) members shall be elected by the municipal legislative body, from the municipal legislative body, who, together with the chief executive officer, shall place a fair price on each property, for which price the property shall be sold.

(2) Such committee may authorize the sale of any property upon such terms as will secure the highest and best sale price, but the credit extended shall not exceed three (3) years and a lien shall be retained to secure the purchase price.

(3) In no event shall any property be sold for an amount less than the total amount of the taxes, penalty, cost and interest.

(4) Interest shall be calculated on the full amount of the taxes, penalty, cost and interest from the time of the acquisition of the property by the municipality until the sale thereof.

(5) If it appears that it is impossible to sell any tract of land for this amount, upon application, the municipal legislative body may grant permission to offer the land for sale at some amount to be fixed by the municipal legislative body.

(6) Whenever the sale of a property is arranged by the chief executive officer of the municipality, then the deed shall not be executed and the sale shall not become final until ten (10) days after the publication in a newspaper published in the county of a notice of the proposed sale, the name of the purchaser and the terms, conditions and price. The land shall be described in the notice only by number, which shall refer to a description on file with such committee.

(7) If anyone, during such ten (10) days, increases the offer made for the property by ten percent (10%) or more, the party making the first offer shall be notified and a day fixed when both parties shall appear and make offers.

(8) The property shall be sold to the party making the highest and best offer.

(9) Conveyances of the property shall be made without warranties of any sort, and deeds shall be executed by the chief executive officer of the municipality or other chief fiscal officer of the municipality who shall collect the purchase price at the time of the execution of the deed, and prorate it as provided in this part.

SECTION 3. This act shall take effect July 1, 2009, the public welfare requiring it.